

NEWS RELEASE

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Contact: Gerald Rome, Acting Securities Commissioner at 303-894-2320

OIL AND GAS PROMOTERS SETTLE COLORADO SECURITIES LAW VIOLATIONS

Denver, Colorado – Acting Colorado Securities Commissioner Gerald Rome announced today that he has settled his enforcement action against **Leland Energy, Inc.,** Leland's CEO and President, **Stephen M. Thompson,** and **Joseph E. Finateri,** one of Leland's sales agents. Leland and Thompson are located in Beverly Hills, California, and Finateri is from Henderson, Nevada.

In his complaint, the Commissioner had alleged that Thompson and Finateri defrauded numerous Colorado investors in connection with offering investments in Leland's oil wells and gas drilling operations. It was alleged that Leland employed unlicensed sales agents who utilized lead lists to cold call prospective investors to invest in Leland oil and gas drilling projects located in Adams and Weld counties, and in Tennessee. During a two year period starting in May 2010, Leland raised more than \$850,000 from more than 20 Colorado investors. The allegations include Thompson and Finateri's failure to disclose to their investors their prior legal troubles with other securities regulators and Finateri's prior criminal history. The complaint alleges that in January 2013, the state of Rhode Island had entered an order that Leland and Thompson cease and desist from future violations of their securities act, and that in January of 2012, the state of California had entered an order that Leland and Thompson cease and desist from violating California's securities act. Further, in 2007 Finateri was convicted of felony conspiracy to defraud the United States, and was permanently enjoined in 2003 by the U.S. District Court in North Carolina based on a complaint filed by the Commodity Futures Trading Commission. It was alleged that these facts were not disclosed to investors in Colorado during the offer and sales of securities.

Under the terms of the settlement, Leland, Thompson and Finateri, without admitting or denying the allegations, have consented to a permanent injunction, which was entered by Denver District Court Judge Herbert Stern permanently enjoining them from further violation of the registration, licensing and anti-fraud provisions of the Colorado Securities Act. In addition, Thompson and Leland have agreed to pay to the Division of Securities \$700,000 in the form of restitution to return to the investors.

"We continue to see many suspect oil and gas deals come through our office, said Acting Commissioner Rome. "Oil and gas investments tend to be highly risky and unsuitable for traditional, smaller investors. Investors should be wary of any investment opportunity when they are cold called by promoters, and check these offerings with our office."

A copy of the complaint, stipulation and order can be obtained by contacting the Division of Securities at 303-894-2320.

The **Colorado Division of Securities** is responsible for the administration and enforcement of the Colorado Securities Act, the Colorado Commodity Code, the Colorado Municipal Bond Supervision Act, and the Local Government Investment Pool Trust Fund Administration and Enforcement Act. The Division licenses and regulates stockbrokers and investment advisers and the securities investments they offer, sell, and advise about in Colorado. The Division also investigates cases of alleged securities fraud.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.